

HB 192 REVIEW

Department of Revenue

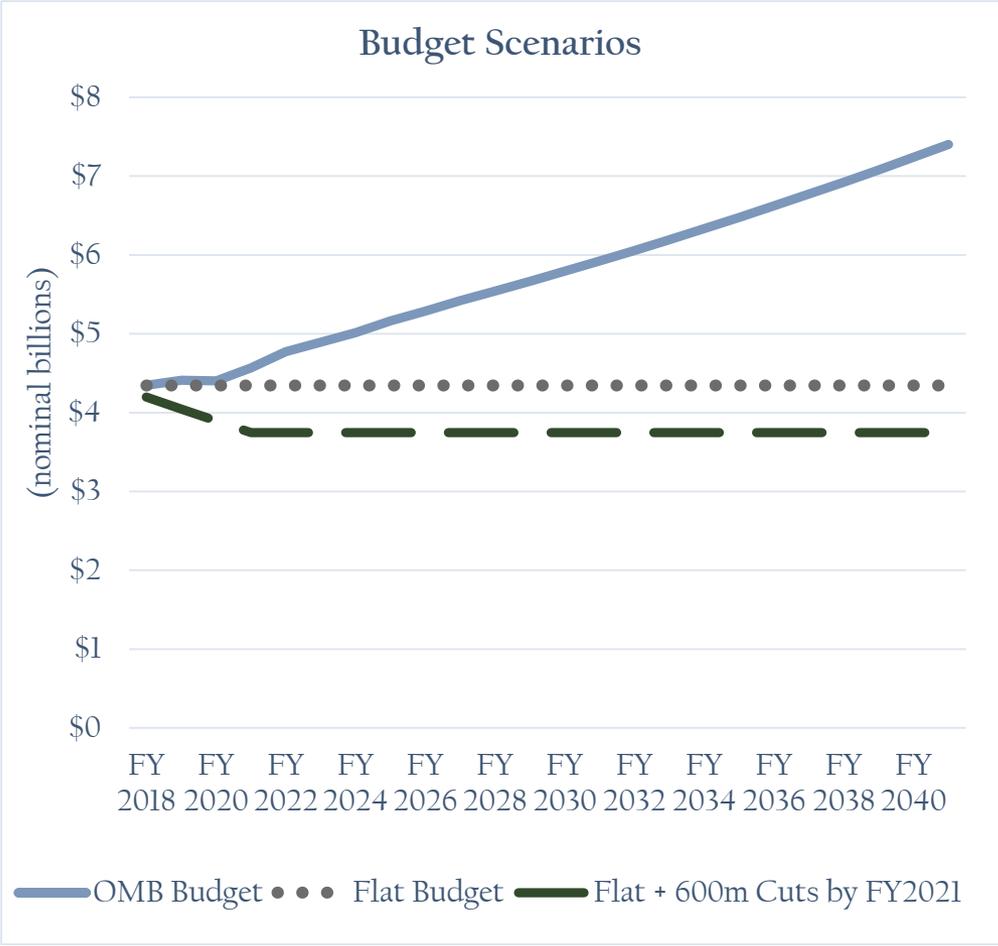
Response to Requests from Representatives Millet and Pruitt

Friday, March 31, 2017



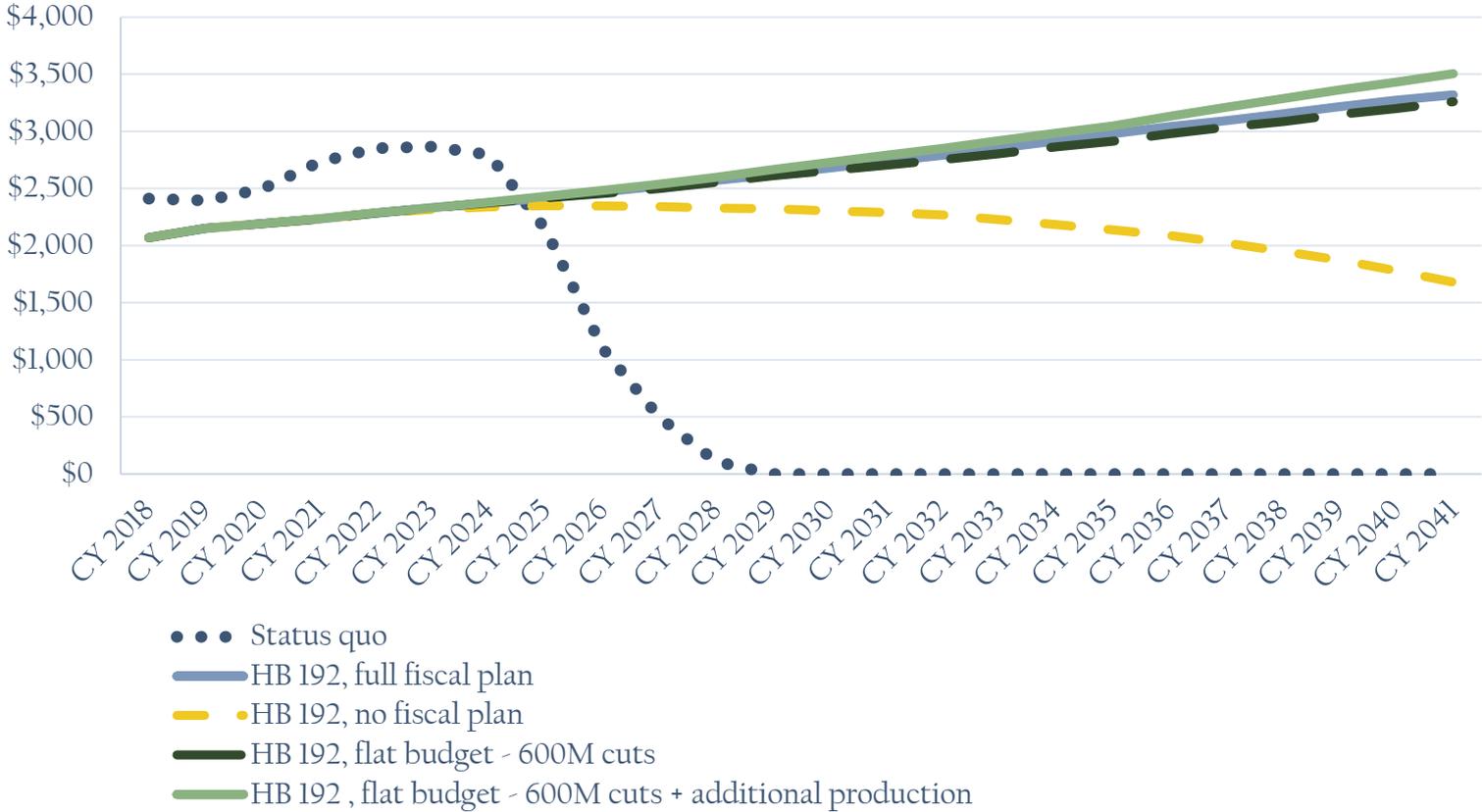
HB 192 MODELING: BUDGET SCENARIOS

	OMB Budget	Flat Budget	Flat & \$600m Cuts
FY 2018	\$4346.2	\$4346.2	\$4196.2
FY 2019	\$4409.9	\$4346.2	\$4046.2
FY 2020	\$4403.9	\$4346.2	\$3896.2
FY 2021	\$4569.3	\$4346.2	\$3746.2
FY 2022	\$4771	\$4346.2	\$3746.2
FY 2023	\$4895.3	\$4346.2	\$3746.2
FY 2024	\$5014.7	\$4346.2	\$3746.2
FY 2025	\$5162.7	\$4346.2	\$3746.2
FY 2026	\$5289.5	\$4346.2	\$3746.2
FY 2027	\$5421	\$4346.2	\$3746.2
FY 2028	\$5542.973	\$4346.2	\$3746.2
FY 2029	\$5667.689	\$4346.2	\$3746.2
FY 2030	\$5795.212	\$4346.2	\$3746.2
FY 2031	\$5925.605	\$4346.2	\$3746.2
FY 2032	\$6058.931	\$4346.2	\$3746.2
FY 2033	\$6195.257	\$4346.2	\$3746.2
FY 2034	\$6334.65	\$4346.2	\$3746.2
FY 2035	\$6477.18	\$4346.2	\$3746.2
FY 2036	\$6622.916	\$4346.2	\$3746.2
FY 2037	\$6771.932	\$4346.2	\$3746.2
FY 2038	\$6924.3	\$4346.2	\$3746.2
FY 2039	\$7080.097	\$4346.2	\$3746.2
FY 2040	\$7239.399	\$4346.2	\$3746.2
FY 2041	\$7402.286	\$4346.2	\$3746.2



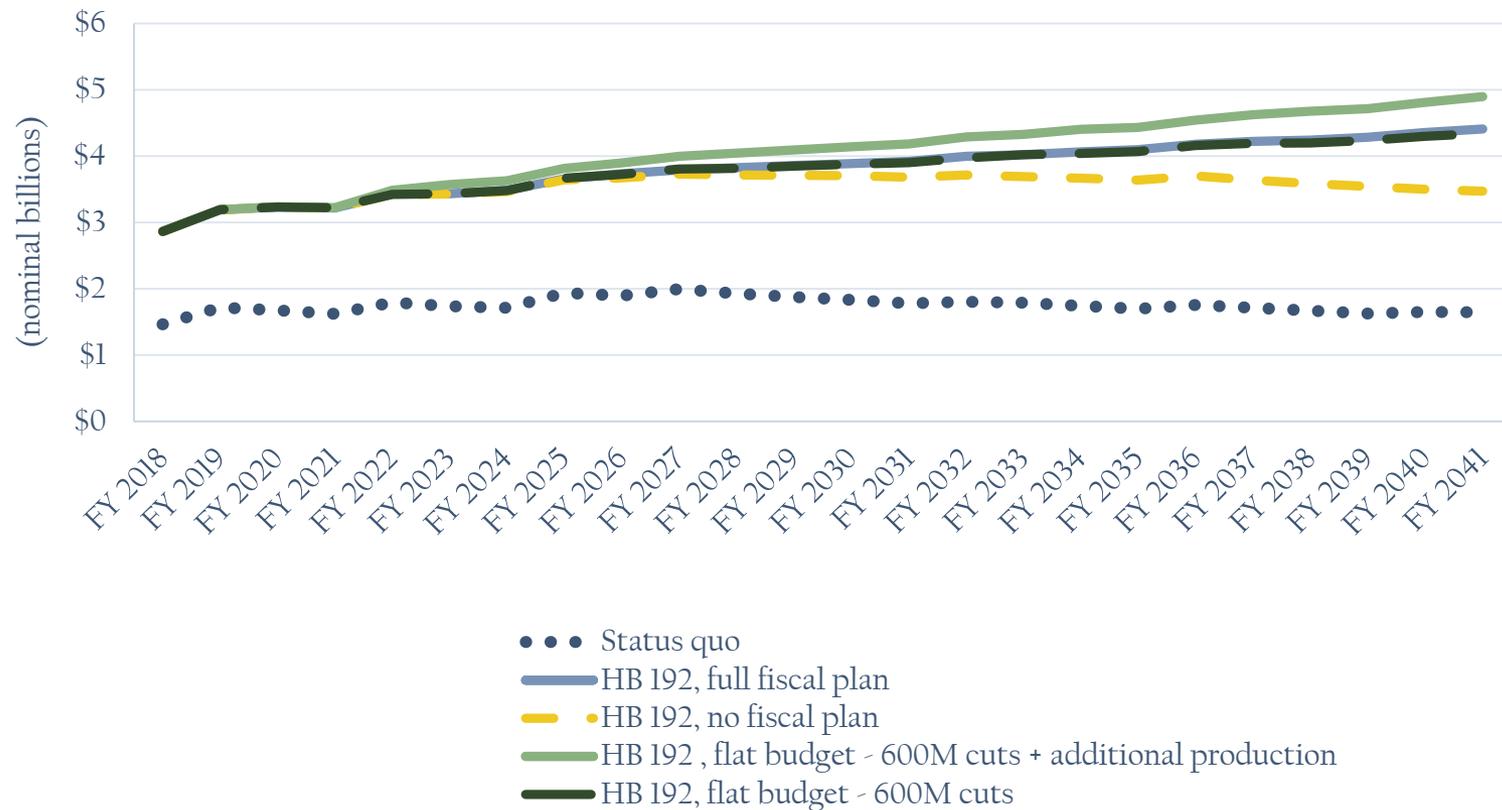
HB 192 DIVIDEND

Nominal Dividend Per Person (Median)

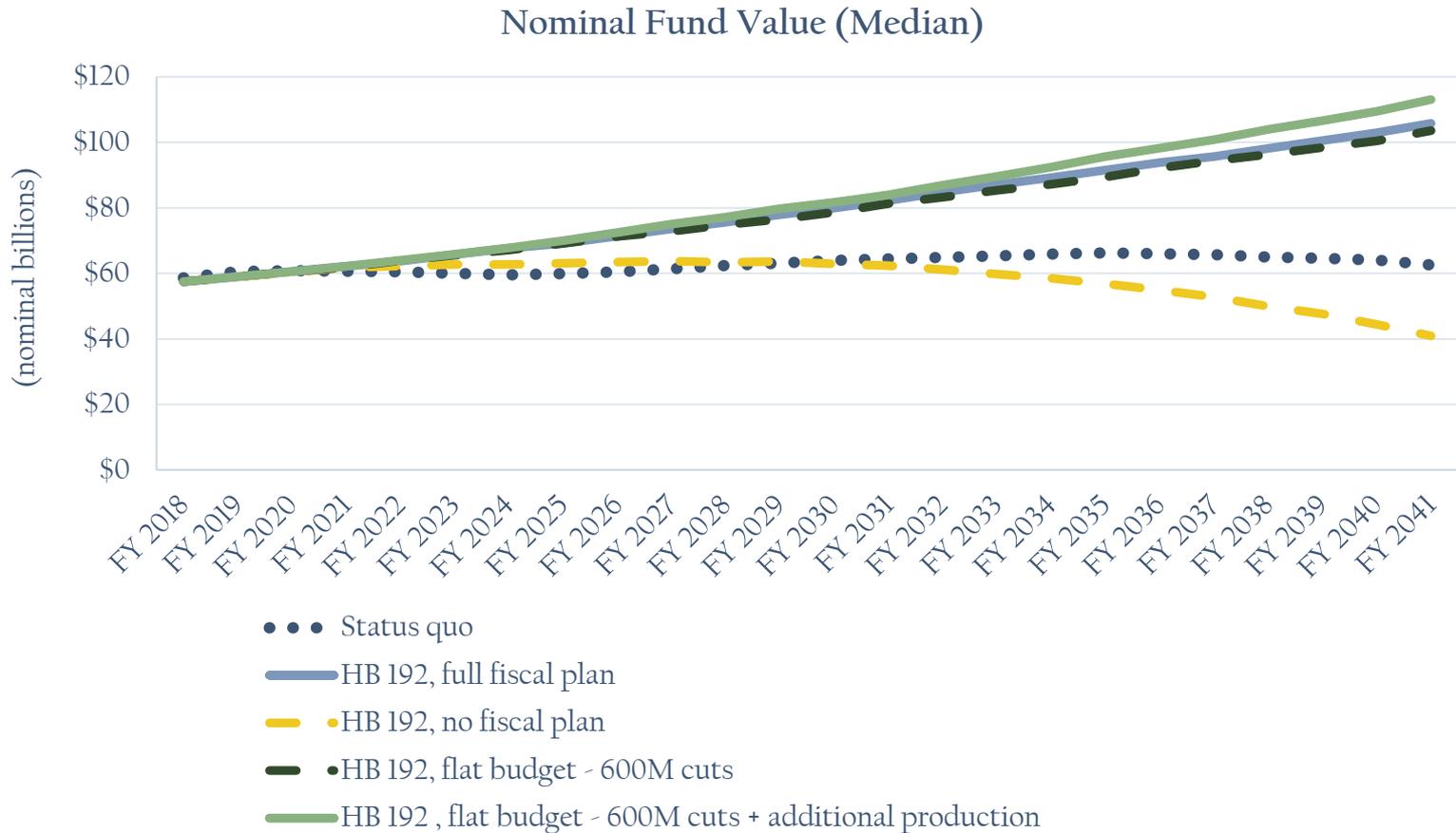


HB 192 UGF

Nominal Funds Available for Services (Median)



HB 192 FUND SIZE



ERA failure rate: 85.5% (no fiscal plan), 3.1% (full fiscal plan), 8.4% (flat - 600M)

HB 192 STRUCTURE REVIEW

	Status Quo	HB 192 Alone	HB 192 With Full Fiscal Plan
1. Rule-Based	Only until CBR is depleted.	Only until CBR is depleted.	Yes.
2. Stabilizing			
- Investment Income	No, not addressed.	Not after ERA depleted.	Partial, 5-year averaging in POMV.
- Total Revenue	No, not addressed.	Not after ERA depleted.	Partial, addressed in a mid-range of oil prices.
3. Protect the Dividend	Dividend at risk when ERA depleted.	Dividend at risk when ERA depleted.	Yes.
4. Protect the Fund (total & corpus)	No. Value of fund and corpus greatly degraded.	No. Value of fund and corpus eventually degraded.	Yes. Maintains value of the fund and corpus over the long term.
5. Maximize ERA Use	Over use. High risk of depleting ERA in short-term.	Over use. Substantial risk of depleting ERA in all scenarios.	Partial, Dividend allocation substantially limits the use of the ERA in achieving a full fiscal solution.



HB 192 REVENUE REVIEW

UGF Budget & Revenues (\$ in billions)	Status Quo	HB 192
FY18 UGF Budget (incl. capital budget)	\$4.3 billion	\$4.1 billion + capital & debt
FY18 Existing UGF Revenues	\$1.6	
Planned ERA Draws (net dividend appropriation)	N/A	\$1.3
Additional Measures required for a Full Fiscal Plan	\$2.8 billion	\$1.2 billion* + capital & debt

*HB 192 contains legislative intent language calling for \$600 million in budget cuts by FY2021.

